



**Linking Agriculture and Tourism through Policy setting:
Strengthening the local agrifood sector and promoting agritourism**

**Workshop organised by the Government of Samoa and CTA
in collaboration with PIPSO and IFAD**

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1. Background : Promoting linkages between agriculture and tourism-related markets for improved food and nutrition security

Tourism is the lifeblood of many Pacific economies and agritourism provides a promising avenue for diversification and trade growth. High quality, nutritious and healthy food, available every day of the year, is critical to hotels, lodges and resorts. Often the food purchasing bill of a tourism site is large in comparison to the size of the local economy, yet surprisingly little of this is spent locally, even when supplies are available from farmers, fishermen and small-scale agribusinesses. The challenges of shifting food-sourcing to local suppliers are considerable – achieving this in a way that meets commercial needs and customer preferences and meets food and safety requirements would be one way in which tourism operations can significantly increase their contribution to local economic development.

Linkages between agriculture, health and tourism not only potentially increase opportunities for domestic agriculture earnings, new markets and product development and therefore sustainable economic growth, but also offer opportunities to help develop visitor attractions and distinctive tourism destination brands through the creative use and marketing of local produce and production techniques, and use of local landscapes. In order to acquire these benefits, the tourism industry needs to be proactive in utilizing local, high quality, healthy and niche agricultural products in touristic sites and events.

Opportunities in Samoa include a clean and green environment with limited use of agrochemicals and fertilizers and a significant recognised organic production, a climate suited to year-round production, sea and air freight linkages, a strong policy support towards increased support to agriculture and investment; and a growing tourism sector that creates new opportunities for high-value food products.

2. Context

The Agribusiness Forum held on 1-3 July 2015 in Denarau, Fiji, as part of the *Pacific Agritourism Week*, was organised by Pacific Islands Private Sector Organisation (PIPSO), the Secretariat of the Pacific Community's (SPC) and the ACP-EU Technical Centre for Agricultural and Rural Cooperation (CTA). It highlighted successes in strengthening links between agriculture and tourism industries in the Pacific region. A major challenge identified was the lack of favourable policies in place to encourage linkages between agriculture, tourism and trade policies and the need to design and develop Agritourism policies which would facilitate those linkages at national and regional levels. An added element is to link with Health Ministry to promote quality products and healthy food as niche markets.

The 2nd Pacific Agribusiness Forum on [Linking the agrifood sector to the local markets for economic growth and improved food and nutrition security](#), held in Samoa was organized as part of the strategic partnership between IFAD, CTA and PIPSO with a number of strategic partners such as the South Pacific Tourism Organisation (SPTO), the Samoa Tourism Authority, Samoa Chamber of Commerce & Industry.

In view of the positive experience of Vanuatu¹ and the opportunities in agriculture and tourism in Samoa, it recommended Supporting an Agritourism policy-setting for Samoa which will develop further linkages between agriculture, trade and tourism sectors to support local businesses in serving tourism-related markets.

3. Agriculture and agribusiness: a strategic sector to revitalise

The main contributors to the Samoan economy include agriculture, manufacturing and the services sector. Agriculture employs roughly two-thirds of the labour force and accounts for 90% of exports – with coconut cream, coconut oil, and copra dominating production. Coconuts are the predominant crop. Root crops dominate the food crop sector, followed by bananas and breadfruit. Livestock production is mainly village-based and is composed of cattle, pigs, and poultry. Fishing is an important occupation in the village economy and provides a major source of protein and cash income. It also generates foreign exchange through exports.

Agriculture is one of Samoa's most important economic sector, particularly for the role it plays in food security and sustaining the rural economy. Increasingly, Samoa is also targeting key markets that will help strengthen and expand agribusiness activity in the island, notably export markets and more recently, the local tourism markets. The latest Samoa Agricultural Survey (2015) showed that most households on the island are engaged in agricultural activities; of the 28,119 household's in 2015, of which 97% (or 27,411) were agricultural households which grew some crops or raised some livestock.

Despite being so widespread, agriculture in Samoa faces significant challenges. It is characterised low levels of productivity, low earnings for those working in the sector, and is focused on subsistence rather than being market oriented. A number of factors contribute to the challenging environment for agribusiness developments in the island. Samoan farmers either lack, or struggle to access capacity and skills development support, or the resources and inputs which can help them integrate their agricultural activities into profitable and productive agribusiness value chains. They need formal training in many areas, but especially in terms of adopting best agricultural practices that reduce post-harvest losses, improve quality and also ensure minimum standards are met for food safety, plant and animal health. To strengthen their position in the value chain, producers in Samoa also need capacity development to engage with other value chain players in a more organised and strategic manner, and to empower their voice in policymaking context. This in turn also necessitates access to data and reliable information sources, so that they are able to understand the markets within which they operate and their clients, as well as to establish targets and minimise risks.

However, the latest figures show a shrinkage in the agricultural activity, with 2013 figures showing the share of agriculture to GDP falling to 9.7%². One indicator which Samoa also shares with its regional neighbours is a high dependence on imported goods, where according to the 2016 Financial Services Sector Assessment for Samoa, the islands total imports make up about 50% of GDP, in comparison to exports which stand at slightly over of 25%.³ Food and agri-food products constitute a big share of the import bill for the island, and it is estimated that the total food and fish imports surpassed the \$165 million mark in 2009 (equivalent to 30% of

¹ Highlights. Highlights of the Vanuatu workshop on Policy setting for improved linkages between agriculture, trade and tourism: Strengthening the local agrifood sector and promoting healthy food in agritourism. May 2016. <http://tinyurl.com/hvvgb83l>

² In contrast to islands such as FSM, Kiribati, Marshall Islands, Tonga, Tuvalu, and Vanuatu where agriculture to GDP stood at around 22% or higher. World Bank. 2016. *Systematic Country Diagnostic For Eight Small Pacific Island Countries: Priorities For Ending Poverty And Boosting Shared Prosperity*. <http://tinyurl.com/z6vtzto>

³ Kumar, Amit. Financial services sector assessment for Samoa / Amit Kumar and Ahmed Moustafa. -- Suva, Fiji : Pacific Financial Inclusion Programme, 2016. <http://tinyurl.com/gp7uvex>

total imports), with \$9 million of this being fruit and vegetable imports alone (CBS, 2010).⁴ Unlike its agricultural sector, Samoa's tourism sector is today in robust health, accounting for some 20% of its GDP and employing 3,000 – 3,500 people directly.⁵ Although agricultural products make up approximately 90% of Samoa's exports, these are mainly primary commodities with relatively low value added.⁶

Unfortunately, the negative effects of such a high dependence on imported foods have not only been felt by the economy, but also by ordinary Samoans. So critical are food and nutrition related diseases such as diabetes, hypertension, obesity, coronary heart disease, they have now become leading cause of death in Samoa.⁷ Needless to say, a continued decline in agricultural production will only make this situation more grave.

Agribusiness is predominantly export-oriented and includes both commercial farming and agro-industrial enterprises. The range of products and activities includes coconuts, taro and limes for export, copra production and oil extraction, virgin organic coconut oil, coconut cream, snack foods (banana and taro chips), egg production, organic soaps and lotions, fish processing, sauces and fruit juices, and noni juice. Many of these businesses also have plans to expand and diversify their operations in areas such as coconut water, refined cooking oil, mechanization of coconut oil extraction, aquaculture, biogas, coconut timber milling, honey processing, livestock feeds, frozen root crops, and papaya for export.

There is a limited access to export markets due to remoteness, isolation, lack of scale, limited food technology and lack of agribusiness knowledge. Typically, the sector suffers from product quality and consistency problems. Samoa's comparative advantage lies in specialized products of high quality and consistency, for example virgin organic coconut oil. Compliance with increasingly demanding international standards and certification systems is therefore critical.

4. Policy setting for agribusiness, tourism and trade linkages in Samoa

Given these figures and the trends in the respective sectors, it evident that an improved policy dynamic between agriculture and tourism could benefit both sectors. For Samoa's agricultural producers and agribusinesses, the tourism market presents a significant and lucrative opportunity to market food and non-food products, taking advantage of shorter value chains to service customers who are already on the islands. Tourism markets can create the right incentives not only for producers and agribusinesses, in terms of quality, type and reliability of supply, but the scale of the sector is such that at the policy level it can also act as a broker to facilitate agricultural producers in accessing finance and other needed services. For Samoa's tourism operators, a competitive, resilient and diverse agriculture sector can enhance profits and also provide new avenues for tourism growth and development. With the possibility of buying more food products and goods locally, hotels, resorts, cruise ships and other hospitality providers could cut down significantly on their food import bills, and also be provided with greater flexibility in terms as short supply chains based on local procurement often allow for greater flexibility. But an equally important prize is through the development of a more visible relationship between the agriculture and tourism sectors through the establishment of partnerships and activities around Samoa's cuisine, culinary heritage and gastronomic scene.

A strong branding and marketing opportunity lies here which can help attract more and varied visitors to the island, and also catch the attention of audiences internationally for whom food and gastronomy are of interest, and visitors who value an authentic and dynamic tourism experience. Promoting Samoan culture, traditions and cuisine has the added benefit of bringing in chefs and culinary experts as partners and stakeholders who can act as ambassadors for local foods and traditional recipes. As chefs gain prominence in the public sphere, not just

⁴ FAO. Tuifa'asisina Steve Rogers with assistance in Tonga from Luseane Taufa. *Report on a scoping mission in Samoa and Tonga agriculture and tourism linkages in Pacific Island countries*. 2012. <http://www.fao.org/3/a-an476e.pdf>

⁵ *ibid*

⁶ Kumar, Amit. Financial services sector assessment for Samoa / Amit Kumar and Ahmed Moustafa. -- Suva, Fiji : Pacific Financial Inclusion Programme, 2016.

⁷ Government of Samoa. Bureau of Statistics. In-depts country assessment of the national system of agricultural and rural statistics in Samoa. November 2014. <http://tinyurl.com/zya3mzi>

through restaurants and cookbooks but now through television appearances, YouTube channels and other media, they are able to enhance the visibility of Samoa's heritage through food journeys that captivate locals as well as international fans.

Enhancing value addition through processing and transformation would also create the right momentum as far as import substitution of food and agri-food products is concerned, but this can only realistically be achieved if economies of scale are supported throughout the island. Tourism and hospitality operators can play an important role, as their buying power means that they can facilitate the integration of producers into existing value chains, but also through contracts they can enable intermediaries and offtakes who then invest in the requisite facilities, resources and networks to aggregate and bulk supply from the many small scale producers on the island.

In addition to its critical role in creating an enabling policy environment for the agricultural, tourism and trade sectors to develop beneficial and strong linkages, government should also look directly toward interventions that can lead to transformative gains across all the sectors. Primary among these, and especially for island nations such as Samoa, is to invest in infrastructure development, and encourage this further in PPPs with the private sector and international development partners. Although the country is not as geographically dispersed as some of its regional neighbours, improving roads and connectivity (both physical and electronic) significantly reduces delays and strongly facilitates the ability for agribusinesses to service specialised and demanding clients such as hotel, resorts and cruise ships, as well as restaurants and other tourism businesses.

5. Goal and Objectives

Goal: To promote a sustainable use of local fresh and processed agricultural products by the tourism industry through intersectoral policies leading to improved livelihoods and income of local farmers and value chain actors.

Objectives:

- To promote linkages between the agrifood sector and the tourism industry to increase sustainable local sourcing through an agritourism policy in Samoa
- To increase the understanding and awareness of the current deficiencies in the supply of produce along the value chain and the actions needed
- To design inter-sectoral and inclusive policies which promote PPPs for improved local food use and consumption by the tourism industry.

6. Participants

Government officials from Agriculture, Trade, Health and Tourism ministries, private sector, chefs and actors from the hospitality sector, civil society and academia, international and regional partners.

7. Partners

The policy process is led by the Ministry of Agriculture, Trade and Tourism of Samoa in close collaboration with the other ministries and the Samoa Tourism Authority and with the support of the Pacific Island Private Sector Organisation and the ACP-EU Technical Centre for Agricultural and Rural Cooperation (CTA). Other Regional and international partners will be invited to share their experience and to support the process.

8. Expected results

- A better common understanding of the opportunities in agritourism in Samoa
- The main elements of the Strategy/policy on agritourism developed and validated by the multi-sectoral focus group
- A platform promoting linkages between Health, Agriculture and Tourism is established
- Main elements to share with other countries and the Pacific region for an agritourism framework